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# VIRGINIA STATE BUDGET

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2021 Special Session I

## Budget Bill - SB1100 (Introduced)

Bill Order » Office of Natural Resources » Item 377

Department of Environmental Quality

Item 377	First Year - FY2021	Second Year - FY2022
<b>Water Protection (51200)</b>	<b>\$47,728,146</b> <b>\$44,585,173</b>	<b>\$52,894,920</b> <b>\$52,900,649</b>
Water Protection Permitting (51225)	\$8,954,437	\$11,054,476 \$11,584,142
Water Protection Compliance and Enforcement (51226)	\$8,247,453 \$7,554,363	\$8,599,703 \$7,445,803
Water Protection Outreach (51227)	\$2,938,270 \$2,039,937	\$2,938,270 \$2,476,437
Water Protection Planning and Policy (51228)	\$8,451,889	\$8,569,623 \$8,435,790
Water Protection Monitoring and Assessment (51229)	\$11,525,815 \$9,974,265	\$14,122,566 \$15,348,195
Water Protection Stormwater Management (51230)	\$7,610,282	\$7,610,282
Fund Sources:		
General	\$25,228,739 \$22,085,766	\$30,395,513 \$30,401,242
Special	\$1,919,279	\$1,919,279
Trust and Agency	\$25,500	\$25,500
Dedicated Special Revenue	\$12,084,183	\$12,084,183
Federal Trust	\$8,470,445	\$8,470,445

Authority: Title 10.1, Chapter 11.1; and Title 62.1, Chapters 2, 3.1, 3.2, 3.6, 5, 6, 20, 22, 24, and 25, Code of Virginia.

A. Out of this appropriation, \$51,500 the first year and \$51,500 the second year from the general fund is designated for annual membership dues for the Ohio River Valley Water Sanitation Commission.

B.1. The permit fee regulations adopted by the State Water Control Board pursuant to paragraphs B.1. and B.2. of § [62.1-44.15:6](#), Code of Virginia, shall be set at an amount representing not more than 50 percent of the direct costs for the administration, compliance and enforcement of Virginia Pollutant Discharge Elimination System permits and Virginia Pollution Abatement permits.

2. The regulations adopted by the State Water Control Board to initially implement the provisions of this Item shall be exempt from Article 2 (§ [2.2-4006](#), et seq.) of Chapter 40 of Title 2.2, Code of Virginia, and shall become effective no later than July 1, 2010. Thereafter, any amendments to the fee schedule described by these acts shall not be exempted from Article 2 (§ [2.2-4006](#), et seq.) of Chapter 40 of Title 2.2, Code of Virginia.

C. Out of the appropriation for this item, \$151,500 the first year and \$151,500 the second year from the general fund is designated for the annual membership dues for the Interstate Commission on the Potomac River Basin.

D.1. Notwithstanding § 62.1-44.15:56, Code of Virginia, public institutions of higher education, including community colleges, colleges, and universities, shall be subject to project review and compliance for state erosion and sediment control requirements by the local program authority of the locality within which the land disturbing activity is located, unless such institution submits annual specifications to the Department of Environmental Quality, in accordance with § 62.1-44.15:56 A (i), Code of Virginia.

2. The State Water Control Board is authorized to amend the Erosion and Sediment Control Regulations (9 VAC 25-840 et seq.) to conform such regulations with this project review requirement and to clarify the process. These amendments shall be exempt from Article 2 (§2.2-4006 et seq.) of the Administrative Process Act.

E. Beginning October 1, 2015, there shall be a \$3.75 fee imposed on each dry ton of exceptional quality biosolids cake sewage sludge that is land applied pursuant to § 62.1-44.19:3P, Code of Virginia, until such fee is altered, amended or rescinded by the State Water Control Board.

F.1. The Department shall work in conjunction with the Virginia Economic Development Partnership to facilitate the development of long-term offsetting methods within the Virginia Nutrient Credit Exchange as set out in Item 130 of this act.

2. The Department shall work with permittees operating under the Chesapeake Bay Watershed Nutrient General Permit and interested stakeholders through a workgroup including local government representatives, the Chesapeake Bay Foundation and the James River Association to review the assumptions used in estimating the effluent nutrient concentrations and trends of wastewater facilities and to identify cost-effective options to achieve wastewater nutrient load levels with reasonable assurance consistent with the needs of the Chesapeake Bay TMDL Phase III Watershed Implementation Plan. The review shall be completed and provided to the Chairs of the House Appropriations Committee, the Senate Finance and Appropriations Committee, the House Committee on Agriculture, Chesapeake and Natural Resources, the Senate Committee on Agriculture, Conservation, and Natural Resources and the Virginia delegation of the Chesapeake Bay Commission by December 1, 2020. The Department shall continue issuing Water Quality Improvement Fund grants for additional nutrient removal projects in accordance with the appropriations under Items 379 and C-70 of this act and §§ 10.1-1186.01 and 10.1-2117 of the Code of Virginia.

G. Notwithstanding any other provision of law, any Virginia Stormwater Management Program authority is authorized to charge a voluntary fee of \$30,000 for review of sites or areas within common plans of development or sale with land-disturbance acreage equal to or greater than 100 acres for an expedited stormwater management program plan review. Any individual or firm electing to pay the voluntary fee shall be guaranteed the total government review time shall not exceed 45 days excluding any applicant's time in responding to questions. Any amounts paid to DEQ above the \$9,600 fee shall be used by DEQ to increase the staffing level of the reviewers of these applications.

H. Out of the amounts in this Item, ~~\$2,730,601 the first year and \$2,730,601~~ \$2,736,330 the second year from the general fund is included for the purchase of laboratory and field equipment through the Commonwealth's Master Equipment Leasing Program.

I. The Department shall assess current provisions of the Virginia Erosion and Sediment Control Act, Storm Water Management Act, and the Chesapeake Bay Preservation Act and identify any areas of inconsistency, conflict, and duplication within and among the existing administrative regulations across the three regulatory programs and analyze the impact on locally administered programs for MS4 permit localities under the Virginia Stormwater Management Act. A final report of the assessment, and all associated recommendations for increasing the efficiency and improving the integration of the current regulatory framework, shall be submitted to the Governor

and the General Assembly no later than April 1, 2021.

J. Out of the amounts appropriated for this item, \$231,000 the first year and \$231,000 the second year is provided for regional water resource planning activities.

K. The Department shall assess alternative reimbursement models and reimbursement amounts for nutrient removal grants provided to projects serving a locality or localities with: (i) high fiscal stress as defined by the Composite Fiscal Stress Index; (ii) median household incomes below the Commonwealth's average; and (iii) the capacity of ratepayers to absorb the additional costs of financing nutrient removal projects. The Department shall provide a report detailing its findings and recommendations to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees no later than December 15, 2020.

L. The Department shall convene a workgroup of affected stakeholders, including representatives from the regulated industry, local governments and members of the public, to produce recommendations for the Governor and General Assembly to improve the long-term sustainability of the Virginia Stormwater Management Fund established by § 62.1-44.15:29 and Department oversight of nutrient credit use in the Commonwealth. Such recommendations shall be provided to the Governor and General Assembly by November 1, 2020.

2. The provisions of 9VAC25-900, Virginia Administrative Code, shall be considered to have satisfied the conditions of § 62.1-44.15:35, Code of Virginia, for the establishment of an application fee schedule in accordance with § 62.1-44.19:20, Code of Virginia. Notwithstanding § 62.1-44.15:35, Code of Virginia, regardless of whether or not the effective date of regulations establishing application fees in accordance with § 62.1-44.19:20, Code of Virginia, has occurred, the credit provider shall pay the Department a water quality enhancement fee equal to five percent of the amount paid by the applicant for the credits. Such fee shall be deposited into the Virginia Stormwater Management Fund established by § 62.1-44.15:29, Code of Virginia. The Department shall convene a workgroup of affected stakeholders, including representatives from the regulated industry, local governments and members of the public, to produce recommendations for the Governor and General Assembly to improve the long-term sustainability of the water quality enhancement fee and Department oversight of nutrient credit use in the Commonwealth. Such recommendations shall be provided to the Governor and General Assembly by November 1, 2021.